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# THE DECLINE OF BRITISH COMMERCE.

BY A. MAURICE LOW.

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IF, during the next twenty-five years, Great Britain loses her trade as rapidly as she has during the quarter of a century from 1870 to 1895, she will have yielded her primacy as the greatest of the world's commercial powers. If, in the quarter of a century ending in 1924, the same industrial progress is held by the United States as has marked the closing years of the present century, the United States will lead the world in export trade, with Germany second and Great Britain third.

The marvellous expansion of the export trade of the United States during the last few years, has led certain English economists to assert and believe that England, despite the world's competition, still holds her pre-eminence as the greatest exporting nation; that, while other nations have obtained their share of the world's commercial expansion, England's supremacy remains unassailed. Admitting, as they do, that Germany now controls certain industries formerly monopolized by Great Britain, and that the sceptre of the iron and steel trade has passed out of their hands into those of the United States, it is still the belief of English students of trade movements that England has nothing to fear from its commercial rivals. These hopes are false. England is steadily losing her control of the world's markets.

It is a matter of great difficulty to obtain satisfactory and exact *data* as to the world's commerce. Simply to take the aggregate of exports and imports is misleading, because exports of one nation may appear in the returns of imports of two nations. Thus, wool exported from Australia and imported into England, and thence re-shipped to the United States in its original condition and without being advanced in the process of manufacture, would be carried in the import returns of both the United States

and Great Britain. It is true—or it may, at any rate, be assumed—that British ship-owners and Liverpool or London merchants would have profited by the transaction; the ship-owners by the freight, and the merchant as a factor or commission agent; but the value of this particular Australian export—its value considered as a single item in working out the sum of the world's commerce—is its increase to the wealth of Australia derived from its own resources. Since, therefore, a consideration solely of *special exports* (*special exports* are exports of *domestic* production) would show in a manner more nearly exact than any other the operations of the great exporting nations—because while some nations, conspicuously England, do a large and profitable trade in reshipments, it must be manifest that the foundation of every nation's wealth is in its manufacturing or agricultural productiveness—in the following attempt to exhibit the movement of the world's commerce, only special exports have been considered, and whenever possible British official reports have been used as the authority. The reason why the period from 1870 to 1895 was selected, rather than that from 1874 to the present time, is that from 1870 dates Germany's commercial *renaissance*, while the twenty-five years in question in the United States have been average years; years of plenty and years of famine, in which panics have been followed by booms, and there have been the usual interference with trade by politicians and dislocations of commerce by changes in the tariff. The last three years in the United States have not been average years, they have been as abnormally favorable to our people as they have been, in some respects, unfavorable to some of the nations of Europe.

In 1870 and 1895 the world's commerce (special exports, except where otherwise stated) stood as indicated in the table given on next page (Table A),\* amounts being rendered in pounds sterling at the current rate of exchange.

An examination of this table shows that, in the quarter of the century, Russian exports † increased 17.35 per cent; German, ‡ 42.90; French, 20.40; the United States, 110.66; British, 13.17. Put in another form, the loss of British commerce becomes even more apparent. In the period from 1870 to 1895, the aggregate

\*Compiled from British Board of Trade returns.

†The Russian exports for 1870 are general as well as special, no separate figures having been kept in that year.

‡The German exports are of the year 1872, figures for 1870 not being available.

Table A.—Special Exports.

Country.	1870.	1895.
Russian Empire .....	£56,985,000 (1)	£66,875,000 (3)
Finland .....	1,381,000 (1)	5,648,000
Norway .....	4,487,000 (1)	7,134,000
Sweden .....	8,417,000 (1)	17,302,000 (1)
Denmark .....	6,477,000 (1)	12,040,000
Germany .....	116,031,000 (2)	165,895,000
Holland .....	31,831,000	98,061,000
Belgium .....	27,604,000	55,418,000
France .....	112,084,000	134,952,000
Switzerland .....	.....	28,177,000 (4)
Portugal .....	4,565,000	6,066,000 (4)
Spain .....	15,721,000 (1)	30,172,000 (1)
Italy .....	30,212,000	41,508,000 (5)
Austria-Hungary .....	39,541,000	61,817,000
Greece .....	1,355,000 (4)	2,846,000 (4)
Bulgaria .....	.....	3,107,000 (1)
Roumania .....	6,313,000 (1) (6)	10,602,000 (1)
Turkey .....	.....	14,015,000 (7) (1)
Egypt .....	13,983,000 (1) (8)	12,961,000
United States .....	78,462,000	165,290,000
Mexico .....	6,582,000 (1) (4) (6)	18,928,000 (1) (4)
Costa Rica .....	.....	855,000 (1) (7)
Venezuela .....	.....	4,306,000 (3) (4)
Chili .....	5,620,000 (4)	15,192,000
Uruguay .....	2,662,000 (4)	6,730,000
Argentine Republic .....	6,093,000 (4)	24,014,000 (4)
Paraguay .....	.....	372,000 (9)
China .....	16,588,000 (10)	23,434,000 (11)
Japan .....	3,912,000 (8) (12)	14,238,000 (13)
United Kingdom .....	199,586,000	225,890,000
Total .....	£796,492,000	£1,273,895,000

(1) General exports; (2) 1872; (3) 1896; (4) Including specie and bullion; (5) Including silver bullion; (6) 1873; (7) 1893; (8) 1874; (9) 1892; (10) Haikwan tael, 1870 = 6/; (11) Haikwan tael, 1895 = 3/3¼d.; (12) Yen, 1870 = 4/2d.; (13) Yen, 1895 = 2/1½d.

export trade of the five great commercial nations of the world increased 34.70 per cent., while Great Britain's share of the increase was only 13.17 per cent. In 1870, Great Britain did a trifle more than 35 per cent. of the total of the commerce of the great industrial nations; in 1895, her share was a trifle under 30 per cent. In twenty-five years, she had not only *not* held her position, but she had lost some of the trade she held in 1870, and gained nothing by the commercial expansion of the world. It was because of this loss that the United States, in twenty-five years, were enabled to more than double their exports, and Germany to increase its exports 42 per cent., both nations profiting at the expense of Great Britain.

In 1870, one-quarter of the world's commerce (exclusive of the British colonies and dependencies) was done by England; including her colonies and dependencies, thirty-five per cent. In 1895, Great Britain's share of the world's commerce had fallen to a fraction less than eighteen per cent; or, including her col-

onies and dependencies, it had declined to thirty-one per cent.; showing that, while she still retained her supremacy as the leading commercial factor of the world, her power was waning instead of growing.

The value of total exports (including bullion and specie)\* from British Colonies and Dependencies was:

Table B.—Exports of British Colonies and Dependencies.

Country.	1870.	1895.
India (1) .....	£53,513,729	£118,605,745
Straits Settlements (2).....	8,709,395	18,378,589
Ceylon (3) .....	3,803,731	4,278,401
Mauritius (4) .....	2,086,571	3,009,700
Labuan .....	61,218	118,046
Australasia .....	28,421,353	64,073,700
Fiji .....	.....	332,209
Falkland Islands .....	19,894	122,988
Natal .....	382,979	1,305,184
Cape of Good Hope.....	2,603,211	16,904,756
St. Helena .....	27,485	4,314
Lagos .....	513,366	985,595
Gold Coast .....	378,239	877,804
Sierra Leone .....	349,488	452,604
Gambia .....	142,517	93,537
British North America (5) .....	17,085,260	24,646,270
Bermuda .....	36,757	115,913
Honduras .....	171,988	244,335 (6)
West Indies .....	4,991,297	5,351,124
British Guiana .....	2,383,422	1,769,500
Malta .....	3,627,694	.....
Total .....	£129,309,594	£261,670,314

(1) India: Conversions into sterling have been made 2s. to the rupee.

(2) Straits Settlements: 1870, dollar, 4s. 2d.; 1895, 2s. 1½d.

(3) Ceylon: 1870, accounts kept in sterling; 1895, rupee: 1s. 1¼d.

(4) Mauritius: Same as India.

(5) Canada: Dollar: 4s. 2d. in all years.

(6) 1894.

An analysis of the export returns would show that, in nearly all the great staples, Great Britain has lost her position. Space will not permit this detailed examination; but it is interesting to study the changes in four leading lines—coal, iron ore, pig iron and shipping.

In 1870, Great Britain's proportion of the coal production of the great coal producing nations was fifty-one per cent.; in 1895 it was thirty-four per cent.

Table C.—Coal Production.

Year.	Germany (1)	Belgium (1)	France (1)	{ Austria (1) } Hungary. }	U. S. (2)	United K'dom (2)
1870....	34,003,004	13,697,118	13,179,788	8,355,945	82,863,000	110,431,192
1895....	103,876,813	20,414,849	28,019,893 (3)	32,654,777 (3)	172,426,366†	189,661,362

(1) Metric tons; 17th Annual Report United States Geological Survey.

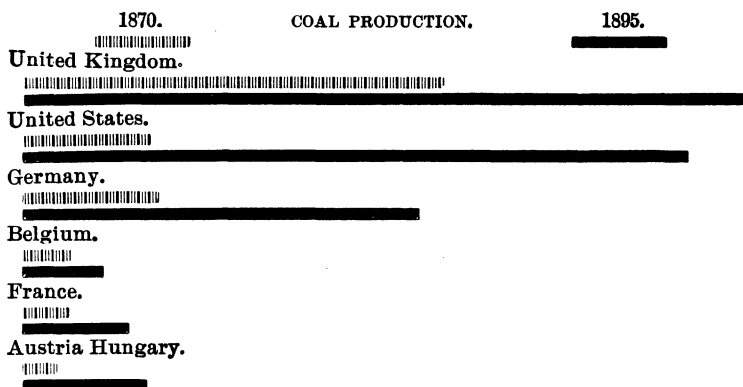
(2) Long tons; 17th Annual Report United States Geological Survey.

(3) Eighteenth Annual Report United States Geological Survey.

\*British Board of Trade Returns.

†The steady advance of the United States in industrial development is

The following diagram indicates the import of these figures :



The shrinkage of Great Britain's production of iron ore has been still more marked. In 1870, her output was fifty-six per cent. of the great iron producing nations; in 1895, it had fallen to twenty-five per cent. In 1870, she had produced more ore than all the rest of the world combined; in 1895, she had yielded her first place to the United States.

Table D.—Iron Ore Production.

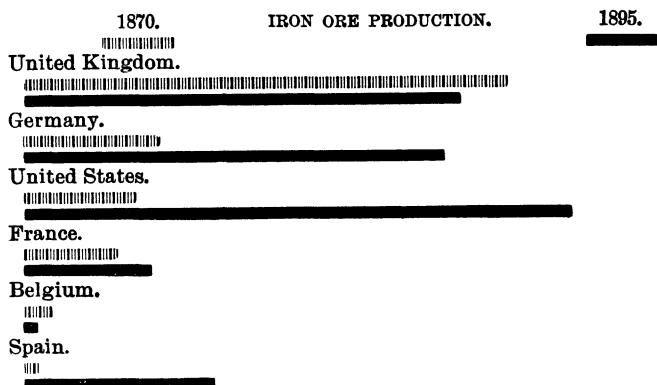
Year.	Ger- many (1)	Bel- gium. (1)	France (1)	Spain (1)	U. S. (3)	United K'dom (2)
1870 ....	3,839,000	654,000	2,614,000	437,000	3,395,718	14,371,000
1895 ....	12,350,000	313,000	3,680,000	5,514,000	15,957,614	12,615,000

(1) Metric Tons; British Board of Trade Returns.

(2) Long Tons; British Board of Trade Returns.

(3) Long Tons; 1870: United States Census; 1895, 17th Annual Report United States Geological Survey.

This diagram shows to the eye what those figures mean:



well illustrated in the following tables showing the world's production of

In 1870 Great Britain was the only pig iron producing country whose production exceeded consumption and left a surplus for export.

Table E.—Pig Iron.

Production and Total Consumption (domestic and foreign) of pig iron in:

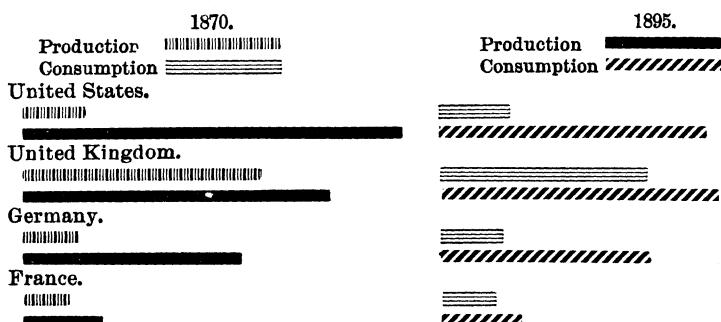
Year.	United States (1)		United Kingdom (1)		Germany (2)		France (2)	
	Produc- tion.	Consump- tion.	Produc- tion.	Consump- tion.	Produc- tion.	Consump- tion.	Produc- tion.	Consump- tion.
1870..	1,665,178	1,863,114	5,963,515	5,245,765	1,391,000	1,510,000	1,178,000	1,252,000
1895..	9,446,308	6,648,930	7,703,459	6,925,961	5,464,000	5,434,000	2,004,000	2,007,000

(1) Tons of 2,240 pounds; British Board of Trade Returns.

(2) Tons of 2,204 pounds; British Board of Trade Returns.

This may be represented as follows :

PIG IRON PRODUCTION AND CONSUMPTION.



The United Kingdom, in 1870, produced more than one-half (58.47 per cent.) of the total production of pig iron; in 1895, her production was only 31.28 per cent; although the total production had increased 140 per cent. In this, as in other great staples, the gain of the United States is amazing. While Great Britain, from 1870 to 1895, increased her output of pig iron 29 per cent., that of the United States in 1895 was 460 per cent. greater than it was twenty-five years earlier.

England still holds her own in shipping. In 1872, Great Britain's share of the mercantile tonnage of the world was 33 per cent.; in 1895, it had grown to 48 per cent.

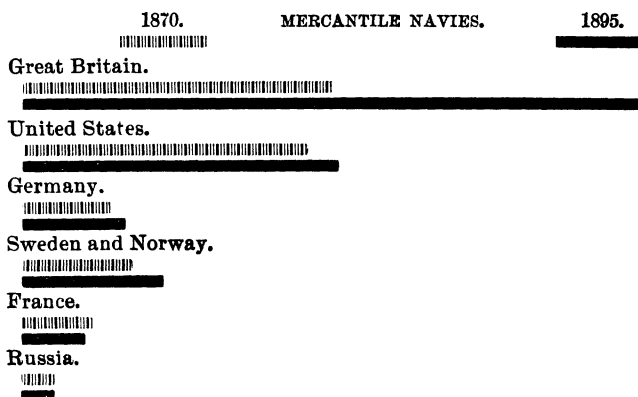
coal for twenty-eight years. In 1868 and 1869, when the total output of the world was about 225,000,000 tons, the United States yielded but 14 per cent. In 1892, 1893, 1894, and 1895, the world's output has exceeded half a billion tons each year, of which the United States has contributed an average of 30 per cent., having more than doubled its percentage. Great Britain, whose mines furnished more than 50 per cent. of the world's product in 1868, now barely exceeds the percentage of the United States.—"The Production of Coal in 1895," by Edward Wheeler Parker, United States Geological Survey.

Table F.—Mercantile Navies of the World.

Country.	Number.	Tons.	Number.	Tons.
Great Britain (1872).....	20,097	4,510,556	21,003	8,988,450 (1)
Russia (1874) .....	2,504	520,584	2,055	513,663 (2)
France (4) (1870) .....	15,778	1,074,656	15,598	887,078 (1)
Germany (1871) .....	5,122	1,305,000	3,592	1,502,044 (1)
United States (1870).....	28,998	4,246,507	23,240	4,635,960 (3)
Sweden (1872) and Norway (1873) .....	11,325	1,669,433	10,033	2,087,968 (1)

Statistics from *American Cyclopaedia*. (1) As of date Jan. 1, 1896; *The Annual Cyclopaedia*, 1897. (2) 1895; *Ann. Cyclo.*, 1896. (3) June 30, 1895; *Ann. Cyclo.*, 1895.  
(4) Exclusive of small fishing vessels.

The accompanying diagram illustrates the state of the case :



Although the majority of Englishmen have not yet realized that England is fast being outstripped in the commercial race, it is a fact keenly appreciated by foreign governments. In a report made to the Foreign Office by M. S. Constable, British Consul at Stockholm, under date of June 6, 1898, statistics are quoted from a report compiled by the Swedish government on the trade and industries of Great Britain, in their relation to those of foreign countries. The statistics as well as the conclusions agree with mine, although it should be remembered that the Swedish returns are for five-year periods instead of individual years as I have given them. Mr. Constable's report is of so much importance that the salient portions are quoted *in extenso*:

"Output of principal iron ore producing countries:

Country.	1871-1875. Tons.	1881-85. Tons.	1891-95. Tons.
Great Britain and Ireland.....	16,087,000	17,154,000	12,249,000
Germany .....	5,262,000	8,557,000	11,679,000
United States .....	4,532,000	8,516,000	14,288,000
France .....	2,651,000	3,018,000	3,651,000
Spain .....	613,000	4,119,000	5,346,000
Other countries .....	4,181,000	4,578,000	9,068,000



"It is noticeable that Great Britain and Ireland's production has decreased absolutely, not merely relatively as regards that of other countries.

"Average output of principal pig iron producing countries:

	Tons.	Tons.	Tons.
Great Britain .....	6,562,000	8,227,000	7,361,000
Germany .....	1,946,000	3,411,000	5,082,000
France .....	1,265,000	1,899,000	2,006,000
United States .....	2,284,000	4,370,000	8,263,000
Other countries .....	2,114,000	2,780,000	4,038,000

"During this period, it appears that Great Britain and Ireland's proportional share in the world's production of pig iron has sunk from 46.3 to 27.5 per cent., while, on the other hand, the United States has increased its proportion of output from 16.1 to 30.9 per cent. In this instance, also, during the last ten years, Great Britain and Ireland's production shows an absolute falling off, not merely a decrease relative to that of other countries. The rapid development of Germany and the United States as pig iron producing countries is very striking.

"Principal coal producing countries:

	Tons.	Tons.	Tons.
Great Britain .....	126,972,000	161,470,000	184,819,000
Germany .....	44,680,000	68,630,000	97,008,000
France .....	15,862,000	20,250,000	26,658,000
United States .....	45,283,000	94,130,000	160,832,000
Other countries .....	33,973,000	52,175,000	78,832,000

"During the earlier period, it thus appears that Great Britain and Ireland supplied forty-seven per cent. of the world's output of coal, but at the present time only thirty-four per cent.; Germany seventeen per cent. and now eighteen per cent.; whilst the United States have advanced from seventeen per cent. to nearly thirty per cent.

"Estimated annual consumption of raw cotton:

Country.	1871-80. Tons.	1891-94. Tons.
Great Britain .....	5,632,000	7,091,000
Europe .....	4,271,000	8,524,000
United States .....	2,746,000	5,522,000

"Since the year 1870 Great Britain's consumption of cotton has increased by one-quarter, whilst that of the rest of Europe and the United States has doubled.

"Estimated average annual value of the commerce (imports and exports taken together) of the four greatest trading countries:

Country.	1881-85.	1891-95
Great Britain .....	£573,888,888	£589,166,666
Germany .....	306,611,111	352,777,777
France .....	318,222,222	296,833,333
United States .....	302,333,333	347,333,333

"Thus, during this period, Great Britain's trade has increased by slightly more than 2½ per cent.; that of Germany and the United States, each, by fifteen per cent.; whilst the trade of France has steadily declined.

"Perhaps the most striking fact brought into relief by these statistics, is the rapidity of Germany's industrial development since the Franco-Prussian war. The fighting organization of the country was

then strong, but its wealth and resources, though sufficient for the effort it was called upon to make, were by no means proportionately developed. The sudden increase of her coal, iron, and iron-ore producing industries, the extension of her railway system, and the quick growth of her foreign trade (considerations more fundamentally related to a continued exercise of influence and power than the actual number of soldiers a nation may, at any given time, be able to put in the field) have now placed her in a much stronger position.

"A comparative review of these statistics moreover shows, that the standing of Great Britain (considered apart from her colonies) has retrograded in relation to the other great nations within the last twenty-five years. In nearly every important department of industry her proportional share has much diminished. As to her shipping only is her early supremacy fully maintained. This change in Great Britain's position with reference to other countries, as regards wealth, occurring as it has within so short a period, has probably not been appreciated, nor its consequences fully considered, except by those whose attention has been especially directed to such subjects."

That England is losing her trade cannot be controverted. What are the causes? Briefly, in my opinion, they are three, and one is especially worthy of study by the United States at the present time.

Undoubtedly, the principal cause of England's commercial decadence is her extreme conservatism and the individual Englishman's obstinacy. He is willing to accept an improvement if stamped "made in England;" if it comes to him from abroad, whether from Germany or America, he fights against it until actually forced to surrender. It is this antagonism to a new thing which makes London in some respects twenty-five years behind New York or Chicago. No American would tolerate the heat and abomination of the Underground Railway; or the inadequate street-car system; or the still more inadequate telephone service; or the scarcity of electric lights; or the regularly recurring water famines; or the almost complete cessation of telegraph service at night; or the inconvenience every traveller suffers in taking his luggage to or from a station; all of which might and could be easily remedied, if the Englishmen were not so wedded to the old and could be made to see that the new is not without merit.

It is the constant study of engineers to eliminate friction. Eliminate friction, and your machinery is perfect. The American man of business, in little as well as in great things, is continually studying to remove the grain of sand; the Englishman appears to enjoy it. Labor-saving devices, so common as to

be regarded as matters of course in an American office or factory, are rare enough in England to excite comment. The head of a great establishment in America sits at a desk from which, by simply pressing a small button, he can call his cashier, his heads of departments or his assistants; without leaving his chair, he can talk through the telephone to his manager in an adjoining room, or to his superintendent in the factory half a mile away or to his partner in another city. An Englishman, if he wants his cashier, rings a hand bell, which is answered by a boy, to whom the message is given, and in course of time the cashier appears. Before the Englishman can tell the cashier to make out the check, the American has cashed his check at the bank, invested the proceeds and made a profit.

It is the same in the factory as in the office. We are too apt to flatter ourselves that the native American is a more intelligent workman than the British workman. Man for man I question this. What is true is that the American proprietor is a more intelligent "boss" than the Englishman. Convince an American manufacturer that any device will save labor—eliminate friction—and he will adopt it. He will put in a colossal engine to do the work formerly done by scores of men; or a small electric motor which saves a few seconds in the sharpening of a tool; but those few seconds in the aggregate mean hours and days in the course of a year, and to that extent his productive capacity is increased. The Englishman, on the other hand only adopts these devices when the American is ready to try something still better.

The consular reports, both English and American, tell the same story of British adherence to fixed and antiquated ideas. "If my customer doesn't like the goods I make, he needn't buy them," seems to be the English theory; while the American manufacturer has no pre-conceived prejudices and considers the customer's tastes as of more importance than his own.

Perhaps this adherence to the old and repugnance to the new is the principal reason why England is feeling so keenly the effects of industrial competition.

The second reason sounds like a contradiction. Too much prosperity is making England poor. England has so long held the monopoly of trade, she has been so long the world's banker as well as the world's master of water transportation, that she has become indifferent to and almost contemptuous of rivalry.

England plays too much. The workingman averages about the same number of hours as in America, but the master, the employer, the superintendent of labor, is lazy. The American, whether the head of a great corporation, the owner of a small factory or a member of one of the professions, has longer business hours than an Englishman in similar circumstances; and during his business hours the American works under greater pressure. What man of business, lawyer or banker in New York, Boston, or Chicago would think of breaking into his afternoon for a cup of tea at five o'clock? In London, the man "in the city" takes his cup of tea as much as a matter of course as does the member of the West End Club, or the woman of fashionable Mayfair. England is in the position of a man who, having worked hard in his younger days and amassed a great fortune, still keeps his shop open as a matter of habit, and shuts his eyes to the inroads made into his trade by his younger and more enterprising rival across the street. The old customers, especially those whose names are on the books, continue to trade with the old establishment; but the public who are not governed by sentiment when they spend their money, go where they are offered the greatest bargains and the most attractive wares.

It has been alleged that the spread of trades-unionism and the restrictions imposed by the Unions have seriously interfered with, if not in some case actually crippled, certain British manufacturing industries. I doubt whether the tyranny of the English trades-union is any more oppressive than that known in America. The employer of labor in the United States must walk in an exceedingly straight and narrow way, if he would avoid the obstacle which organized labor so recklessly throws in his path; not only must he live up to all the canons of the order, but he must accept responsibility for the acts of his agent's agent. If the contractor whom he engages to erect an addition to his factory has obtained his stone from a non-union quarry, or has it dressed by "scabs," his mill hands, who are perfectly satisfied with their hours and their wages, will strike in the name of labor. In England, as well as in America, the Unions dictate the number of apprentices, the hours and other conditions. If trades-unionism is responsible for England's declining trade, why does not the United States suffer from the same cause? No, English apologists must find a better cause.

The third reason—and the one which is of direct interest to us in this day of trusts and syndicates—is that the good old-fashioned, safe system of doing business has been superseded by a new method, which is neither good nor safe. The merchant proprietor has given place to the managing director; the owner, his sons or his partners, who were entities, have yielded to a “board,” a fleshless creation having no personal significance to the workers, who miss the inspiration of the master. Heredity—servitude is unknown in this country; in England a man was proud of having worked at the same loom where his father worked before him for the father of the present owner; it was a tie not without its influence on master and man, and having an influence not less important on the product of the loom. But all that has changed. The most important man in business affairs to-day is the lawyer, next to him the promoter. In former days, when capital was sought for a new enterprise, the verdict hinged on the decision of practical men who knew the probable profits and reasonable risks. To-day, it is the lawyer who is first consulted, the promoter whose assistance is needed to “float” the shares which the public is expected to buy. All England is engaged in a gigantic gamble; the buying and selling of shares has become an industry of the first magnitude. It is a day of “big” things. There must be substantial commissions for the lawyers, the promoters, the experts, and the rest of the commercial midwives without whom no company can be born.

Napoleon’s taunt that the English were a nation of shopkeepers has lost its force. The English are the worst shopkeepers in the world; worse even than the Spanish. The artistic dressing of shop windows, the display of jewels, or lace or china, grouped with a harmonious effect for color and brought into prominence by a background of velvet or silk, which makes a retail street in any large American city a delightful study to a person of refined taste, is practically unknown in England. London’s most fashionable shop-windows are “jammed”—the word is used advisedly—with expensive articles of a high order, but these are crowded into a small space, without regard to artistic effect, and as if the sole purpose was to let every passer-by know how large a stock could be found inside. In fact, that is the motive. The Englishman makes his selection from the outside of the shop-window; the American makes his after the shop-

clerk has spread out before him the wares and he has handled them and examined them at close range. But here, again, the method which permits of this ready choice in the United States is unknown in England. If, for instance, you want to buy socks in America, the clerk will place before you half a dozen boxes; you may make your choice with the deliberation befitting such an important occasion; you may turn over dots and stripes, blues and greens, until at last you find the precise color and the exact pattern you desire. In London, the shop-clerk will produce packages, packages done up in paper and tied with string, which he will open with seeming reluctance and only in part, so that the opportunities for examination and selection are restricted and inconvenient. In America, the purchaser of kid gloves expects to have them fitted to his hand, as he has his shoes fitted to his feet. In London, the fitting of gloves is practically unknown, nor is its utility understood. "Suppose a glove doesn't fit quite so neatly as might be wished," says the shopkeeper, "what difference does it make? Americans are entirely too particular."

The small things which so sharply mark the difference between British and American trade, whether in retail transactions or in those of world-wide commerce, are nowhere more accentuated than in the London shops. The American shopkeeper, curious as the assertion may sound, is more liberal and less petty in his dealings with his customer than the Englishman. In any American store, the purchase of a pair of shoes means to have "thrown in" an extra pair of laces; initials are always marked on silver ware without charge; in England they are paid for as "extras."

It may be contended that these are trivial matters, customs merely local and having no bearing on larger results. But that is an erroneous view. They are really the crucial tests. They explain the reasons for British loss of trade and American trade expansion, reasons which, in their concrete form, may be put into a few words: In America there are no commercial traditions; in England commercial traditions stifle enterprise.

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